

Message Text

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ACTION IO-10

INFO OCT-01 ISO-00 AF-04 ARA-06 EA-06 EUR-12 NEA-06 RSC-01

SP-02 AID-05 EB-04 NSC-05 CIEP-01 TRSE-00 SS-15

STR-01 OMB-01 CEA-01 CIAE-00 INR-05 H-01 L-02 COME-00

FRB-01 XMB-02 OPIC-03 LAB-01 SIL-01 IGA-01 AGR-05

INT-05 NSA-01 SWF-01 PA-01 PRS-01 USIA-06 TAR-01 /119 W

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P 140200Z NOV 74

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TO SECSTATE WASHDC PRIORITY 7413

LIMITED OFFICIAL USE SECTION 1 OF 2 USUN 5014

E.O. 11652: N/A

TAGS: EFIN, UNGA, ECOSOC

SUBJECT: INTERSESSIONAL COMMITTEE ON TRANSNATIONAL CORPORATIONS (TNCS)

1. FOLLOWING IS PRELIMINARY DRAFT RES NOW BEING DISCUSSED
IN GROUP OF 77.

QUOTE RECALLING ITS RESOLUTION 1721(LIII) OF 24 JULY 1972;

RECALLING ALSO ITS RESOLUTION 1908 (LVII) OF 2 AUGUST 1974;

RECALLING FURTHER GENERAL ASSEMBLY RESOLUTIONS 3201(S-VI)
AND 3202(S-VI) OF 1 MAY 1974, INCLUDING THE PROVISIONS RELATING
TO TRANSNATIONAL CORPORATIONS;

HAVING GIVEN PRELIMINARY CONSIDERATION TO THE REPORT OF
THE GROUP OF EMINENT PERSONS TO STUDY THE IMPACT OF MULTI-
NATIONAL CORPORATIONS ON DEVELOPMENT AND ON INTERNATIONAL
RELATIONS, AS WELL AS THE REPORT OF THE SECRETARY-GENERAL;

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CONSIDERING THAT FURTHER DETAILED DISCUSSION ON THE REPORT

OF THE GROUP OF EMINENT PERSONS SHOULD BE TAKE PLACE AT A
LATER DATE;

HAVING FURTHER CONSIDERED THE REPORTS OF THE SECRETARY-
GENERAL ON THE ACTIVITIES OF THE UNITED NATIONS SYSTEM CLOSELY
RELATED TO THE SUBJECT OF TRANSNATIONAL CORPORATIONS AND
ON THE VIEWS OF GOVERNMENTS ON THE G REPORT OF THE GROUP OF
EMINENT PERSONS;

BEARING IN MIND ITS DECISION TO KEEP THE FULL RANGE OF ISSUES
RELATING TO TRANSNATIONAL CORPORATIONS, AND IN PARTICULAR THE
SUBJECT OF THE REGULATION OF AND SUPERVISION OVER THEIR
ACTIVITIES UNDER CLOSE CONSIDERATION ON A CONTINUING BASIS;

1. DECIDES TO ESTABLISH A COMMISSION ON TRANSNATIONAL COR-
PORATIONS AS AN ADVISORY BODY TO THE COUNCIL TO ASSIST THE
ECONOMIC AND SOCIAL COUNCIL IN DEALING WITH THE ISSUE OF
TRANSNATIONAL CORPORATIONS;

A) THE COMMISSION SHALL BE COMPOSED OF ----- GOVERN-
MENTAL EXPERTS OF MEMBER STATES OF THE UNITED NATIONS,
SPECIALIZED AGENCIES AND IAEA, SELECTED BY THE ECOSOC ON A
BROAD AND FAIR GEOGRAPHICAL BASIS;

B) THE COMMISSION SHALL HAVE A BALANCED REPRESENTATION RE-
FLECTING THE VARIOUS FIELDS OF ACTIVITIES OF TRANSNATIONAL
COMPANIES AND TO THIS END THE SECRETARY-GENERAL SHALL CON-
SULT WITH GOVERNMENTS THUS SELECTED BEFORE THE REPRESENTATIVE-
EXPERTS ARE FINALLY NOMINATED BY THOSE GOVERNMENTS;

C) GOVERNMENTS MAY APPOINT AN ALTERNATE REPRE-
SENTATIVE;

D) THE ECOSOC SHALL CONFIRM THE REPRESENTATIVE AND ALTERNATE
REPRESENTATIVE NOMINATED BY THOSE GOVERNMENTS;

E) ALTERNATIVE 1. THE SECRETARY-GENERAL WILL NOMINATE, FOR
THE APPROVAL BY THE COUNCIL A PANEL OF ----- PERSONS WHO,
SERVING IN THEIR PRIVATE CAPACITY, WILL ASSIST THE COMMISSION
AND PARTICIPATE IN ITS DELIBERATIONS IN A MANNER TO BE DECIDED
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BY THE COMMISSION. THESE PERSONS SHALL BE SELECTED ON THE
BASIS OF THEIR PRACTICAL EXPERIENCE FROM BUSINESS, TRADE
UNIONS, PUBLIC INTEREST GROUPS, AND UNIVERSITIES;

F) ALTERNATIVE 2. THE COMMISSION MAY INVITE THE ASSISTANCE
OF PERSONS SELECTED ON THE BASIS OF THEIR PRACTICAL EXPER-
IENCE AND DEEP UNDERSTANDING OF THE ISSUES AND PROBLEMS INVOLVED
FROM BUSINESS, TRADE UNIONS, PUBLIC INTEREST GROUPS AND

UNIVERSITIES;

G) THE TERM OF OFFICE OF THE MEMBERS OF THE COMMISSION IS
THREE YEARS AND MEMBERS SHALL BE ELIGIBLE FOR REELECTION;

2. DECIDES FURTHER THAT THE COMMISSION SHALL MEET ON AN ANNUAL
BASIS AND SHALL SUBMIT AN ANNUAL REPORT TO THE ECONOMIC AND
SOCIAL COUNCIL AT ITS SUMMER SESSION;

3. DECIDES FURTHER THAT THE COMMISSION ON TRANSNATIONAL COR-
PORATIONS WILL ASSIST THE ECONOMIC AND SOCIAL COUNCIL IN
FULFILLING ITS RESPONSIBILITIES IN THE FIELD OF TRANSNATIONAL
CORPORATIONS BY: A) ACTING AS THE FORUM POINT WITHIN THE
UNITED NATIONS SYSTEM FOR THE COMPREHENSIVE CONSIDERATION
OF ISSUES RELATING TO TRANSNATIONAL CORPORATIONS;
B) PROVIDING A FORUM FOR THE PRESENTATION AND EXCHANGE OF
VIEWS BY GOVERNMENTS, INTERGOVERNMENTAL ORGANIZATIONS AND
NON GOVERNMENTAL ORGANIZATIONS, INCLUDING TRANSNATIONAL CORPORATIONS,
LABOUR CONSUMERS AND OTHER INTEREST GROUPS THROUGH THE ARRANGE-
MENTS OF HEARINGS, INTERVIEWS, ETC.
C) UNDERTAKING WORK WHICH MAY ASSIST THE ECONOMIC AND SOCIAL
COUNCIL IN EVOLVING A SET OF RECOMMENDATIONS WHICH, TAKEN
TOGETHER, COULD REPRESENT A CODE OF CONDUCT FOR TRAN-
SNATIONAL CORPORATIONS;
D) UNDERTAKING WORK WHICH MAY ASSIST THE ECONOMIC AND SOCIAL
COUNCIL IN CONSIDERING POSSIBLE ARRANGEMENTS OR AGREEMENTS
ON SPECIFIC ASPECTS RELATING TO TRANSNATIONAL CORPORATIONS;
E) CONDUCTING INQUIRIES, MAKING STUDIES, PREPARING REPORTS
AND ORGANIZING PANELS FOR FACILITATING A DIALOGUE AMONG
THE PARTIES CONCERNED;
F) RECOMMENDING TO THE ECONOMIC AND SOCIAL COUNCIL THE
PRIORITIES OF WORK ON TRANSNATIONAL CORPORATIONS TO BE CARRIED
OUT BY THE INFORMATION AND RESEARCH CENTRE ON TRANSNATIONAL
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CORPORATIONS;

4. DECIDES THAT THE TERMS OF REFERENCE OF THE INFORMATION
AND RESEARCH CENTRE ON TRANSNATIONAL CORPORATIONS
ARE THE FOLLOWING:

A) TO PROVIDE THE NECESSARY SUPPORT TO THE ECONOMIC AND SOCIAL
COUNCIL AND ITS COMMISSION ON MATTERS RELATED TO TRANSNATIONAL
CORPORATIONS;
B) TO DEVELOP A COMPREHENSIVE INFORMATION SYSTEM ON THE
ACTIVITIES OF THE TRANSNATIONAL CORPORATIONS AND GATHER,
ANALYSE AND DISSEMINATE SUCH INFORMATION;
C) TO PROVIDE AT THE REQUEST OF GOVERNMENTS ADVISORY SERVICES
AND ORGANIZE TRAINING PROGRAMMES ON MATTERS RELATED TO
TRANSNATIONAL CORPORATIONS;
D) TO CONDUCT RESEARCH OF VARIOUS POLITICAL, LEGAL, ECONOMIC

AND SOCIAL ASPECTS RELATED TO TRANSNATIONAL CORPORATIONS,
INCLUDING WORK WHICH MIGHT BE USEFUL FOR THE ELABORATION OF A CODE
OF CONDUCT AND SPECIFIC ARRANGEMENTS AND AGREEMENTS AS DIRECTED
BY THE ECONOMIC AND SOCIAL COUNCIL AND ITS COMMISSION;

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ACTION IO-10

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FRB-01 XMB-02 OPIC-03 LAB-01 SIL-01 IGA-01 AGR-05

INT-05 NSA-01 SWF-01 PA-01 PRS-01 USIA-06 TAR-01 /119 W

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5. REQUESTS THE SECRETARY-GENERAL TO ENSURE THAT THE INFORMATION
AND RESEARCH CENTRE IS CONSTITUTED IN 1975 SO THAT IT BECOMES
FULLY FUNCTIONAL AT THE EARLIEST POSSIBLE DATE, AND TO REPORT
TO THE 59TH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL ON THE
PROGRESS MADE, BEARING IN MIND THE PROVISION REGARDING
BUDGETARY SUPPORT FOR THE CENTRE IN RESOLUTION 1908
(LVII), PARA.6.;

6. FURTHER REQUESTS THE SECRETARY-GENERAL TO ENSURE THE COOR-
DINATION OF THE ACTIVITIES OF THE CENTRE WITH THOSE OF OTHER
ORGANIZATIONS AND AGENCIES OF THE UN SYSTEM WHICH UNDERTAKE
ACTIVITIES CLOSELY RELATED TO THE SUBJECT OF TRANSNATIONAL
CORPORATIONS;

7. REQUESTS THE COMMISSION ON TRANSNATIONAL CORPORATIONS TO
SUBMIT A DETAILED PROGRAMME OF WORK ON A FULL RANGE OF ISSUES
RELATING TO TRANSNATIONAL CORPORATIONS TO THE RESUMED 59TH

SESSION OF THE ECONOMIC AND SOCIAL COUNCIL ON THE BASIS OF
THE FOLLOWING PRIORITIES:

A) DEVELOPMENT OF A COMPREHENSIVE INFORMATION SYSTEM OF THE
ACTIVITIES OF TRANSNATIONAL CORPORATIONS;
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B) WORK LEADING ON INTERNATIONAL STANDARDS OF ACCOUNTING
AND REPORTING;

C) PRELIMINARY WORK RELATED TO THE DEVELOPMENT OF A CODE
OF CONDUCT;

D) STUDIES INCLUDING CASE STUDIES (I) ON THE SERVICE SECTOR,
AND PARTICULARLY BANKING AND TOURISM, (II) ON HM EXTRACTIVE
INDUSTRIES AND PARTICULARLY PETROLEUM, (III) ON THE DISTRU-
BUTION OF GAINS WITHIN THE GLOBAL SYSTEM OF TRANSNATIONAL
CORPORATIONS AND IN PARTICULAR THE EFFECTS OF TRANSFER PRICING,
LOCATION OF RESEARCH AND DEVELOPMENTS AND DIVISION OF LABOUR,
(IV) ON THE SOCIAL IMPACT OF TRANSNATIONAL CORPORATIONS, PARTICULARLY
ON EMPLOYMENT AND ON THE STANDARD OF LIVING; (V)
ON THE INTERFERENCE OF TRANSNATIONAL CORPORATIONS IN THE INTERNAL
AFFAIRS OF HOST COUNTRIES PARTICULARLY HOST DEVELOPING COUNTRIES,
AND (VI) ON THE IMPACT OF TRANSNATIONAL CORPORATIONS ON
THE DEVELOPMENT PROCESS, PARTICULARLY IN DEVELOPING COUNTRIES.
UNQUOTE

2. UNLESS OTHERWISE DIRECTED, US DEL WOULD PLAN TO SUPPORT
THIS RES IF NO OBJECTIONABLE ADDITIONS ARE MADE BY
GROUP OF 77 AND IF FOLLOWING CHANGES WHICH REPRESENT CONSENSUS
RESULTING FROM INFORMAL CAUCUS OF U.S., UK, FRG AND
NETHERLANDS DELS ARE ACCEPTED:

PARA 1. (A) "THE COMMISSION SHALL BE COMPOSED OF REPRES-
ENTATIVES OF GOVERNMENTS OF MEMBER STATES OF THE UNITED NATIONS,
OF THE SPECIAL AGENCIES, AND OF IAEA SELECTED BY THE COUNCIL
SO AS TO PROVIDE BROAD AND FAIR GEOGRAPHIC DISTRUBITION
AND ADEQUATE REPRESENTATION OF BOTH HOME AND HOST COUNTRIES,
BOTH DEVELOPED AND DEVELOPING."

PARA. 1 (B) "THE REPRESENTATIVES COMPRISING THE COMMISSION
SHALL BESELECTED BY GOVERNMENTS IN CONSULTATION WITH
THE SECRETARY GENERAL ON THE BASIS OF THEIR EXPERIENCE AND A
PROFOUND UNDERSTANDING OF THE ISSUES INVOLVED."

PARA 1 (D): DELETE.

PARA 1 (D); PREFER ALTERNATIVE I, INSERTING "A PROFOUND
UNDERSTANDING OF THE ISSUES INVOLVED" AFTER "PRACTICAL
EXPERIENCE."

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PARA 3 (C): "CODE OF CONDUCT CONCERNING TRANSNATIONAL CORPORATIONS,"

PARA 4: "DECIDES THAT THE INFORMATION AND RESEARCH CENTER ON TRANSNATIONAL CORPORATIONS SHALL WORK UNDER THE GENERAL GUIDANCE OF THE COMMISSION WITH THE FOLLOWING TERMS OF REFERENCE:"

PARA 4 (B) "TO GATHER INFORMATION ON THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS, AND ANALYZE AND DISSEMINATE SUCH INFORMATION;"

PARA 4(D) "TO CONDUCT RESEARCH ON VARIOUS POLITICAL, LEGAL, ECONOMIC AND SOCIAL PROBLEMS RELATED TO TRANSNATIONAL CORPORATIONS;" DELETE REMAINDER OF PARA 4 (D);

PARA 5: SUBSTITUTE "FULLY OPERATIONAL" FOR "FULLY FUNCTIONAL."

PARA 7: INSERT "INCLUDING A STATEMENT OF PRIORITIES," AFTER "DETAILED PROGRAMME OF WORK"; DELETE "RESUMED", "ON THE BASIS OF THE FOLLOWING PRIORITIES" AND SUB-PARAS (A) THROUGH (D)
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, MULTINATIONAL CORPORATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974USUNN05014
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740328-0116
From: USUN NEW YORK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741142/aaaabjcl.tel
Line Count: 304
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2002 by worrelsw>; APPROVED <24 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERSESSIONAL COMMITTEE ON TRANSNATIONAL COR- PORATIONS (TNCS)
TAGS: EFIN, UNGA, ECOSOC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005